



DONALD L. WOLFE, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

May 1, 2007

IN REPLY PLEASE

REFER TO FILE: **WM-1**

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**MEMORANDUM OF UNDERSTANDING TO ESTABLISH A REGIONAL WATER  
MANAGEMENT GROUP TO PREPARE AND ADOPT AN  
INTEGRATED REGIONAL WATER MANAGEMENT PLAN  
FOR THE UPPER SANTA CLARA RIVER WATERSHED  
SUPERVISORIAL DISTRICT 5  
3 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY  
OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Delegate authority to the Chief Engineer, or his designee, to negotiate and execute a Memorandum of Understanding (MOU), substantially similar to the enclosed MOU, between the Los Angeles County Flood Control District and the City of Santa Clarita, the Castaic Lake Water Agency (Agency), Santa Clarita Water Division, the Santa Clarita Valley Sanitation District (Sanitation District), the Newhall County Water District, and the Valencia Water Company, in order to establish a Regional Water Management Group (RWMG) to prepare an Integrated Regional Water Management Plan (Plan) for the Upper Santa Clara River Watershed.
2. Authorize the Chief Engineer, or his designee, after a Public Hearing is conducted by the RWMG (established by the MOU), to make a determination on behalf of the District, regarding whether or not the RWMG should proceed with preparation of the Plan.

3. Delegate authority to the Chief Engineer, or his designee, to contribute \$45,000 from the Fiscal Year 2006-07 Flood Control Fund to the Agency for the preparation of the Plan under the terms and conditions described in the MOU.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to authorize the Chief Engineer, or his designee, to enter into an MOU with the parties described above to form an RWMG.

If, after a Public Hearing by the RWMG, at least three of the parties to the MOU (at least two of which have statutory authority over water supply) determine to prepare the Plan, the RWMG will work collaboratively in the preparation of the Plan for the Upper Santa Clara River Watershed region.

The recommendation to your Board is to authorize the Chief Engineer, or his designee, to make the determination, on behalf of the District, regarding whether or not to proceed with preparation of the Plan after the Public Hearing by the RWMG.

Upon completion of the Plan, we will submit another Board letter requesting authorization to adopt the Plan after a second Public Hearing by the RWMG. Adopting the Plan will enable the entities within the Upper Santa Clara River Watershed Region to apply for implementation grant funding under the Proposition 50 and Proposition 84 grant programs. It will encourage a regional approach to water resource management by establishing collaborative watershed-based efforts. It will also establish a framework to secure future funding for water resources related projects.

The RWMG requires the assistance of consultants to prepare the Plan. If the RWMG proceeds to prepare the Plan, the Agency will enter into an Agreement for \$270,000 with Kennedy/Jenks Consultants to write the Plan. The District's share of the cost to prepare the Plan is \$45,000. The Sanitation District will separately enter into an Agreement with Moore Iacofano Goltsman, Inc., to provide facilitation services for the preparation of the Plan at an estimated cost of \$50,000.

The Upper Santa Clara River Watershed for the purposes of the Plan is defined as the region bounded by the San Gabriel Mountains to the south and southeast, the Santa Susana Mountains to the southwest, the Liebre Mountains and Transverse Ranges to the northeast and northwest, westward to the Ventura County line.

### **Implementation of Strategic Plan Goals**

This action is consistent with the County Strategic Plan Goal of Organizational Effectiveness by utilizing a collaborative effort to implement projects and the goal of Fiscal Responsibility by actively seeking grant funds to augment the County's funding sources.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County's General Fund.

The recommended Consultant Agreement for the project is for an aggregate not-to-exceed fee of \$270,000, which will be shared among the plan consultant funding parties as follows: Castaic Lake Water Agency (\$45,000), Sanitation District (\$45,000), City of Santa Clarita (\$45,000), Newhall County Water District (\$45,000), Santa Clarita Water Division of the Castaic Lake Water Agency and Valencia Water Company (\$45,000), and Los Angeles County Flood Control District (\$45,000).

Funding for Flood Control District's share of \$45,000 is included in the Fiscal Year 2006-07 Flood Control District Fund budget.

The Plan is an advisory document and will have no binding funding obligation on the District after its adoption.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Integrated Regional Water Management Planning Act of 2002, as codified in California Water Code, Sections 10530 through 10546, establishes the requirements to prepare and adopt a Plan. A Plan must be prepared and adopted by an RWMG consisting of three or more local public agencies, at least two of which have statutory authority over water supply, participating by means of an MOU or other written Agreement. The Plan must be prepared and adopted in accordance with the requirements of the code.

The enclosed MOU will establish the Cost-Sharing Agreement between the District and the participants. The MOU is approved as to form by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

The California Environmental Quality Act (CEQA) requires public agency decision makers to document and consider the environmental implications of their actions.

The recommended actions do not constitute a project or approval of a project pursuant to Section 301 of the Environmental Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15378 of the CEQA guidelines, and, therefore, do not require an environmental finding.

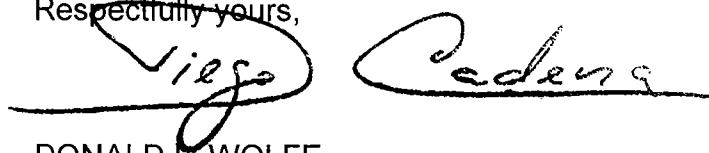
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no negative impact on current County services or projects during the performance of the recommended consultant services. The development and adoption of the Plan for the Upper Santa Clara River Watershed Region will enhance the quality of life for residents in the region by improving water quality and water reliability.

### **CONCLUSION**

Please return two adopted copies of this letter.

Respectfully yours,

Two handwritten signatures are present. The first signature, on the left, is written in dark ink and appears to be 'Viego' or similar. The second signature, on the right, is written in a cursive style and appears to be 'Cedeno'.

DONALD L. WOLFE  
Director of Public Works

BH:ad

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Enc.

cc: Chief Administrative Office  
County Counsel

**Memorandum of Understanding (MOU) between the Castaic Lake Water Agency, Santa Clarita Valley Sanitation District of Los Angeles County, City of Santa Clarita, Los Angeles County Flood Control District, Newhall County Water District, Santa Clarita Water Division of the Castaic Lake Water Agency and the Valencia Water Company to Participate and Contribute to the Preparation of the Upper Santa Clara River Watershed Integrated Regional Water Management Plan**

This Memorandum of Understanding ("MOU") is entered into and is made effective March, 2007, by and between the Castaic Lake Water Agency, including its Santa Clarita Water Division (SCWD)(collectively the "Agency"), Santa Clarita Valley Sanitation District of Los Angeles County ("Sanitation District"), City of Santa Clarita (City), Los Angeles County Flood Control District ("Flood Control District"), Newhall County Water District ("Water District") and the Valencia Water Company ("Water Company") (hereafter, collectively the "Parties" or individually as "Party").

**RECITALS**

WHEREAS, the parties to this Agreement intend to establish and participate in a Regional Water Management Group ("Group") under the California Water Code Division 6, part 2.2, known as the *Integrated Regional Water Management Planning Act of 2002*, hereinafter referred to as "Act",

WHEREAS, Section 10531 of the California Water Code, herein after also referred to as "Act" includes the following declarations:

(a) Water is a valuable natural resource in California, and should be managed to ensure the availability of sufficient supplies to meet the state's agricultural, domestic, industrial, and environmental needs. It is the intent of the Legislature to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies.

(b) Improved coordination among local agencies with responsibilities for managing water supplies and additional study of groundwater resources are necessary to maximize the quality and quantity of water available to meet the state's agricultural, domestic, industrial, and environmental needs.

(c) The implementation of the Act will facilitate the development of integrated regional water management Plans, thereby maximizing the quality and quantity of water available to meet the state's water needs by providing a framework for local agencies to integrate programs and projects that protect and enhance regional water supplies; and

WHEREAS, Section 10537 of the Act states that “Regional Water Management Group” means a group in which three or more local public agencies, at least two of which have statutory authority over water supply, participate by means of a joint powers agreement, memorandum of understanding, or other written agreement, as appropriate, that is approved by the governing bodies of those local public agencies; and

WHEREAS, under the Act, the Parties propose to collaboratively prepare an Integrated Regional Water Management Plan for the Upper Basin of the Santa Clara River, (the “Plan”) as set forth in this MOU; and

WHEREAS, the Upper Basin of the Santa Clara River, as defined for the purposes of the Plan, is bounded by the San Gabriel Mountains to the south and southeast, the Santa Susana Mountains to the southwest, the Liebre Mountains and Transverse Ranges to the northeast and northwest, westward to the Ventura County Line; and

WHEREAS, the study area for the Plan includes all, or a portion of, the service areas of the Parties; and

WHEREAS, an Integrated Regional Watershed Management Plan for the Ventura County portion of the Santa Clara River Watershed has been developed and the development of a combined Integrated Regional Watershed Management Plan for the entire watershed is envisioned for project integration; and

WHEREAS, the Agency is willing to administer a contract (the “Plan Contract”) to engage a third-party consultant (“Plan Consultant”) to prepare the Plan, including award of the Contract and its general oversight; and

WHEREAS, the Sanitation District is willing to administer a contract (the “Facilitation Contract”) to engage a third-party consultant (“Facilitation Consultant”) to facilitate the Plan collaborative stakeholder process, including award of the Facilitation Contract and its general oversight; and

WHEREAS, the Agency, Flood Control District, City, Water District and Water Company (herein referred to as the “Plan Consultant Funding Parties”) have agreed to collectively pay for Plan Consultant costs, while the Sanitation District has agreed to pay for Facilitation Consultant Costs; and

WHEREAS, the Parties also are willing to provide the Plan and Facilitation Consultants, collectively known as “Consultant(s),” with the necessary data to prepare the Plan and to review and comment on the draft versions of the Plan; and

WHEREAS, the “Consultant(s) Costs” for preparation of the Plan consist of all amounts paid to the Consultant(s) upon completion of the Plan; and

WHEREAS, the Plan Consultant Costs currently are estimated to be \$236,000, and with a contingency of an additional \$34,000, which sum will be shared amongst the Plan Consultant Funding Parties, with the Agency's share being a total of \$90,000 (\$45,000, each from the Agency and the Santa Clarita Water Division); Flood Control District's share being \$45,000, City's share being \$45,000, Water District's share being \$45,000, and Water Company's share being \$45,000; and

WHEREAS, the Facilitation Consultant Costs currently are estimated to be \$50,000, with the Sanitation District providing up to \$50,000 worth of facilitation consulting services.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the Parties and of the promises herein contained, it is here by further agreed as follows:

- (1) All recitals set forth above are incorporated herein and constitute a part of the agreement among the Signatories;
- (2) AGENCY for itself and its SCWD agrees as follows:
  - a. Agency shall choose, contract with and administer a Plan Contract for the Plan and perform supervision and oversight of the Plan Consultant's services. Agency will ensure that all contracts entered into by the Agency pursuant to this MOU will contain provisions which require the Plan Consultant and any subcontractor(s) to maintain appropriate insurance, to name each Party as additional insureds and to indemnify, defend and hold the Parties harmless as permitted by law.
  - b. Agency shall have the ability to terminate this Memorandum of Understanding at any time upon 10 days prior written notice to the other Parties in the event that sufficient funding to prepare the Plan is not contributed by Group members. In such an event Agency shall refund to the Plan Consultant Funding Parties their proportionate share of unexpended funds which had been provided to the Agency minus any Agency and/or other party costs.
  - c. Agency and SCWD shall provide and share all of their necessary and relevant information, data, studies, and/or documentation for the Plan in its possession as may be requested by the Plan Consultant within thirty (30) calendar days of the request by the Plan Consultant for such information and data with the understanding that if such information, data, studies or documentation be provided later, it may not be incorporated in the Plan due to time constraints.
  - d. To review and comment on the draft and final versions of technical reports and the draft Plan within twenty-one (21) calendar days from the date of receipt of said documents or Agency and SCWD's comments may not be incorporated in the Final Plan.

- e. To provide its share of the total Plan Consultant Costs in the amount of \$90,000 (\$45,000 for Agency and \$45,000 from SCWD).
- f. To deposit \$30,000 into an account managed by the Agency for the purpose of paying the Plan Consultant within thirty (30) calendar days of execution of this MOU.
- g. To make two additional deposits of \$30,000 the first no later than June 1, 2007 for the first and the second no later than July 1, 2007.
- h. Once the Plan is adopted pursuant to the Act, to prepare, review, and consider approval of future grant applications for implementation of the Plan and administer grants for Plan preparation within the timeframes provided by law.
- i. To comply with all procedural requirements of the Act.

(3) SANITATION DISTRICT agrees as follows:

- a. To provide up to \$50,000 of in-kind consultant services (estimated to be 350 hours of consultant time plus other related expenditures) in order to facilitate stakeholder group meetings that would be performed by the Facilitation Consultant and to administer the contract of the facilitation services consultant. Sanitation District will maintain an accounting of Facilitation Consultant services rendered and other related expenditures, which will be made available in accordance of provision 5(c) of this MOU.
- b. Sanitation District shall provide and share all its necessary and relevant information, data, studies, and/or documentation for the Plan in its possession as may be requested by the Plan Consultant within thirty (30) calendar days of the request by the Consultant for such information and data, with the understanding that if such information, should it be provided at a later date, may not be incorporated in the Plan due to time constraints.
- c. Sanitation District shall review and comment on the draft and final versions of technical reports and the draft Plan within twenty-one (21) calendar days from the date of receipt of said documents or Sanitation District's comments may not be incorporated in the Final Plan.
- d. Once the Plan is adopted pursuant to the Act, to prepare, review, and consider for approval future grant applications for implementation of the Plan within the time frame provided by law.
- e. To comply with all procedural requirements of the Act.



(4) CITY, FLOOD CONTROL DISTRICT, WATER DISTRICT and WATER COMPANY each agrees as follows:

- a. To provide and share all necessary and relevant information, data, studies, and/or documentation for the Plan in each Party's possession as may be requested by the Plan Consultant within thirty (30) calendar days of the request by the Plan Consultant for such information and data, with the understanding that if such information, should it be provided at a later date, may not be incorporated in the Plan due to time constraints.
- b. To review and comment on the draft and final versions of technical reports and the draft Plan within twenty-one (21) calendar days from the date of receipt of said documents or comments from the City, Flood Control District, Water District or Water Company may not be incorporated in the Final Plan;
- c. To pay its share of the Plan Consultant's Costs of \$45,000 as set out herein;
- d. To deposit the initial payment of \$15,000 with the Agency within thirty (30) calendar days of execution of this MOU.
- e. To make two additional deposits of \$15,000, the first no later than June 1, 2007 and the second no later than July 1, 2007.
- f. Once the Plan is adopted pursuant to the Act, to prepare, review, and consider for approval future grant applications for implementation of the Plan within the time frames required by law.
- g. To comply with all procedural requirements of the Act.

(5) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a. The Regional Water Management Group shall not formally adopt the Plan pursuant to Water Code Section 10541(d) until at least three member agencies in the Group have endorsed the Plan by resolution or other formal action of each entity's legislative body, including at least two agencies with statutory authority over water supply, those being Agency and Water District, as evidenced by resolutions duly adopted in substantial conformity to the form of resolution attached to this MOU as Exhibit A.
- b. If the governing body of any Party determines not to endorse the Plan, such action shall constitute automatic withdrawal from the Regional Water Management Group. No refund of amounts paid to the Agency shall be reimbursed to any withdrawing party. A Party which is deemed to have withdrawn from the Regional Water Management Group under this subsection shall automatically be reinstated when that Party adopts the Plan and accepts and executes any additions and/or amendments to this MOU.

- c. Upon adoption of the Plan pursuant to the Act, the Agency and the Sanitation District shall prepare a final accounting (the "Accounting") of all final actual Plan Consultant and Facilitation Consultant costs for review by the Parties.
- d. If the funds deposited with the Agency exceed the Plan Consultant Costs based upon the Accounting, the Agency will refund the excess funds to each Plan Consultant Funding Party in proportion to each Party's share of the Plan Consultant Costs, without interest, within sixty (60) days after adoption of the Plan by all Parties. If insufficient funds have been deposited with the Agency, Agency shall bill each Plan Consultant Funding Party for its proportionate additional share of excess costs, which amounts shall be paid to Agency within 45 days of receipt of such billing. The Agency understands and agrees that such further funding will require the authorization of the each Party's governing body. Thereafter, interest shall accrue on the amounts owing at the rate of 7% per annum simple interest. Additional costs shall be billed to the Sanitation District, only if the cost to finalize the Plan is greater than \$50,000 per Plan Consultant Funding Party, which is the Sanitation District's current maximum in-kind contribution for the Facilitation Consultant.
- e. This MOU may be amended or modified only by mutual written consent of all Parties at the time of such amendment or modification. No waiver of any term or condition of this MOU by any Party hereto shall be a continuing waiver thereof.
- f. This MOU shall terminate three years after the date of execution unless renewed by mutual written consent from all Parties prior to expiration.
- g. All Parties to this MOU mutually release each other from any and all liability, claims, demands or costs (including but not limited to reasonable attorneys' fees) in connection with all claims arising out of this MOU, including but not limited to that relating to the Contracts with the Consultants, and including any and all claims relating to a Consultant's performance or failure to perform under the Contracts and/or any violation or alleged violation of the Act as a result thereof.

Such release shall extend to that pursuant to Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Initial: CLWA/ SCWD

Sanitation District

City

Flood Control District

Water District

Water Company

- h. Notwithstanding any provision of law, including but not limited to California Government Code Sections 895 et. seq., therein, any and all liability or expenses (including attorneys' and experts' fees and related costs) incurred by any party to this MOU as a result of claims by third parties and injury to third parties, arising from or relating to this MOU shall be equally allocated among the Parties. The parties shall not be responsible for any expenses that are as the result of the sole negligent or intentional acts or omission of another Party. The term "injury" shall have the meaning prescribed by Section 810.8 of the Government Code. This provision shall survive termination of this Agreement for a period not to exceed five years.
- i. If any provision of this MOU is held, determined or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the Parties agree that the remainder of this MOU shall be given effect to the fullest extent possible.
- j. The Parties' respective obligations under this agreement, in connection with the preparation and adoption of the Plan, are contingent upon and subject to the Group's compliance with the applicable procedural requirements of Section 10541 of the Act.
- k. If after the public hearing required by subsection (b) of Section 10541 of the Act, the minimum members needed to constitute a RWMG have not determined to prepare the Plan, all remaining funds deposited with the Agency by other Parties, for the preparation of the Plan, shall be refunded to the respective Parties in proportion to each Party's share of the Plan Consultant Costs, within sixty (60) days after the public hearing.

- I. Notice: Any correspondence, communication, or contact concerning this MOU shall be directed to the following:

Castaic Lake Water Agency:

Mr. Dan Masnada  
General Manager  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350  
Fax Number: (661) 297-1610

Santa Clarita Water Division of the Castaic Lake Water Agency:

Mr. Mauricio Guardado  
Retail Manager  
22722 W. Soledad Canyon Road  
Santa Clarita, CA 91350  
Fax Number: (661) 286-4333

City of Santa Clarita:

Mr. Ken Pulskamp  
City Manager  
23920 Valencia Blvd., Suite 300  
Santa Clarita, CA 91355  
Fax Number: (661) 259-8125

Newhall County Water District

Mr. Steve Cole  
General Manager  
23780 North Pine Street  
Newhall, CA 91321  
Fax Number: (661) 259-8137

Los Angeles County, Flood Control District

Los Angeles County Department of Public Works  
Mr. Donald L. Wolfe  
Director of Public Works  
900 South Fremont Avenue  
Alhambra, CA 91803  
Fax Number: (626) 458-4022

Santa Clarita Valley Sanitation District of Los Angeles County

Mr. Stephen R. Maguin  
Chief Engineer and General Manager  
Santa Clarita Valley Sanitation District of Los Angeles County  
1955 Workman Mill Road  
Whittier, CA 90601  
Fax Number: (562) 695-8660

Valencia Water Company

Mr. Robert DiPrimio  
President  
24631 Avenue Rockefeller  
Valencia, CA 91355  
Fax Number: (661) 294-3806

Notice shall be deemed given upon personal delivery or fax confirmation of receipt or 5 days after deposit in the U.S. mail, first class, postage prepaid, addressed as set out above.

Each person signing this MOU represents to have the necessary power and authority to bind the entity on behalf of which said person is signing and each of the other Parties can rely on that representation.

This MOU may be executed in counterparts, each counterpart being an integral part of this MOU.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed by their respective officers, duly authorized:

Castaic Lake Water Agency/SCWD

By \_\_\_\_\_  
Dan Masnada, General Manager

APPROVED AS TO FORM:  
McCormick, Kidman and Behrens

By \_\_\_\_\_  
Legal Counsel

SANTA CLARITA VALLEY SANITATION DISTRICT OF  
LOS ANGELES COUNTY

By \_\_\_\_\_  
Stephen R. Maguin, Chief Engineer  
and General Manager

APPROVED AS TO FORM:  
Lewis, Brisbois, Bisgaard & Smith

By \_\_\_\_\_  
Legal Counsel

CITY OF SANTA CLARITA:

By \_\_\_\_\_  
Ken Pulkamp, City Manager

\_\_\_\_\_  
Attest: City Clerk

APPROVED AS TO FORM:  
Burke, Williams & Sorensen, LLP

By \_\_\_\_\_  
Legal Counsel



LOS ANGELES COUNTY FLOOD  
CONTROL DISTRICT

By \_\_\_\_\_  
Donald L. Wolfe, Director of Public Works

APPROVED AS TO FORM:

By \_\_\_\_\_  
County Counsel

VALENCIA WATER COMPANY

By \_\_\_\_\_  
Robert DiPrimio, President

NEWHALL COUNTY WATER DISTRICT

By \_\_\_\_\_  
Steve Cole, General Manager

APPROVED AS TO FORM:

By \_\_\_\_\_  
Legal Counsel